and Rural Development (NABARD) has formulated a new scheme for providing loans to tenant farmers and oral lessees for raising crops recently. Under the,scheme, NABARD facilitate formation and financing of groups of tenant farmers for raising crops by organizing them into groups known as Tenant Farmers' Groups (TFGs)'. The objective of the scheme is to provide crop loan through institutional agencies to tenant farmers, oral lessees and farmers having land without proper records who are not being extended adequate credit support by banks due to the inability of the farmers in providing tangible securities and/or producing records regarding their rights on the crops cultivated. The scheme envisages refinance support to the extent of 100% by NABARD to the State Co-operative Banks (SCBs)/ District Central Co-operative Banks (DCCBs) for providing loans to the groups.

**Rate of interest on loans raised Dy State Governments**

1918. SHRI SURESH BHARDWAJ:

SHRI P.K. MAHESHWARI:

Will the Minister of FINANCE be pleased to state:

(a) the total amount of loans, category-wise, and the agency from which obtained with rate of interest in each case, raised by each State Government in the country;

(b) whether there is any limit beyond which a State Government cannot raise a loan; if so, whether any State Government transgressed this limit;

(c) if so, the names of State Governments which are defaulters; and

(d) what does Central Government propose to do to help improve the financial position of the State, including writing off the loan?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) A Statement Showing state-wise and category-wise loans of State governments as on 31.3.2004 (BE) is annexed. (See *below)* Interest rate vary from loan and are also renegotiated/ reset by States with lenders, wherever agreed/provided for in the loan agreement. Government of India's rate of interest on plan loans currently is 9%.

(b) and (c) Government of India is determining and providing indicative borrowing ceilings for each State to the Planning Commission for finalising

plan resources. As States require consent of GoI to borrow under Article 293 (3) of the Constitution, no transgression is feasible.

(d) In order to supplement the efforts of the State Governments towards fiscal consolidation, Government of India has created "States' Fiscal Reforms Facility (2000-01 to 2004-05)", in accordance with the recommendation of the Eleventh Finance Commission. The Scheme incentives States to undertake fiscal reforms programme in the medium term, *inter alia,* aiming at reducing their revenue deficit over the reform period, by way of improving tax and non-tax receipts and reprioritizing expenditure. Waiver/rescheduling/write off of GoI loans to States is considered on the recommendations of the Central Finance Commissions.

***Statement***

*State-wise Composition of Outstanding Liabilities As on 31.03.2004 (BE)*

(Rs. in crore)

| State | Internal Debt | of which Special Securities issued to NSSF | Loans and Advances from Central Government | Provident Funds etc. | Total Debt |
|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 1 Andhra Pradesh | 30,696 | 8,773 | 22,301 | 4,577 | 57,574 |
| 2 Arunachal Pradesh | 183 | 12 | 631 | 304 | t,118 |
| 3 Assam | 8,619 | 2,667 | 4,111 | 2,313 | 15,043 |
| 4 Bihar* | 23,868 | 11,967 | 18,295 | 7,729 | 49,882 |
| 5 Goa | 1,566 | 663 | 1,339 | 545 | 3,449 |
| 6 Gujarat | 30,689 | 18,949 | 20,990 | 3,639 | 55,318 |
| 7 Haryana | 9,499 | 4,569 | 4,837 | 5,376 | 19,712 |
| 8 Himacltial Pradesh | 7,439 | 1,148 | 2,829 | 2,767 | 13,035 |
| 9 Jammu and Kashmir | 3,925 | 742 | 4,615 | 3,377 | 11,916 |
| 10 Karnataka | 17,067 | 7,163 | 14,856 | 6,169 | 38,091 |

| 1 | | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| 11 | Kerala | 14,101 | 4,175 | 7,498 | 12,109 | 33,708 |
| 12 | Madhya Pradesh* | 17,940 | 7,453 | 14,571 | 8,377 | 40,888 |
| 13 | Maharashtra | 39,505 | 26,530 | 23,685 | 8,569 | 71,759 |
| 14 | Manipur | 921 | 18 | 908 | 634 | 2,463 |
| 15 | Meghalaya | 858 | - | 488 | 392 | 1,737 |
| 16 | Mizoram | 858 | 10 | 414 | 521 | 1,793 |
| 17 | Nagaland | 1,555 | 51 | 712 | 638 | 2,904 |
| 18 | Orissa | 13,145 | 2,463 | 12,133 | 8,479 | 33,756 |
| 19 | Punjab | 23,151 | 10,865 | 11,282 | 7,624 | 42,057 |
| 20 | Rajasthan | 26,842 | 14,175 | 11,199 | 10,674 | 48,714 |
| 21 | Sikkim | 383 | 35 | 293 | 231 | 908 |
| 22 | Tamil Nadu | 24,622 | 8,493 | 12,754 | 7,459 | 44,834 |
| 23 | Tripura | 1,101 | - | 889 | 1,841 | 3,831 |
| 24 | Uttar Pradesh* | 56,755 | 21,599 | 32,875 | 14,449 | 104,079 |
| 25 | West Bengal | 51,676 | 32,181 | 22,970 | 4,929 | 79,575 |
| 26 | NCT Delhi | 9,235 | 9,235 | 4,019 | - | 13,254 |
| | TOTAL | 416,188 | 193,935 | 251,492 | 123,720 | 791,400 |

The States of Bihar, Madhya Pradesh and Uttar Pradesh include the liabilities of the newly formed States of Jharkhand, Chhattisgarh and Uttaranchal, respectively.

Source: Reserve Bank of India's report on State Finances-2003-04.

**Probe into Hawala Transactions in Kerala**

1919. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India, within last three years, has directed authorities for a detailed probe in Hawala transactions worth crores of rupees that occurred in Kerala;